

CMS Information Services Modernization: Driving Transformational Change

***Bridging the Gap Between the
Current State and the End State
Vision***

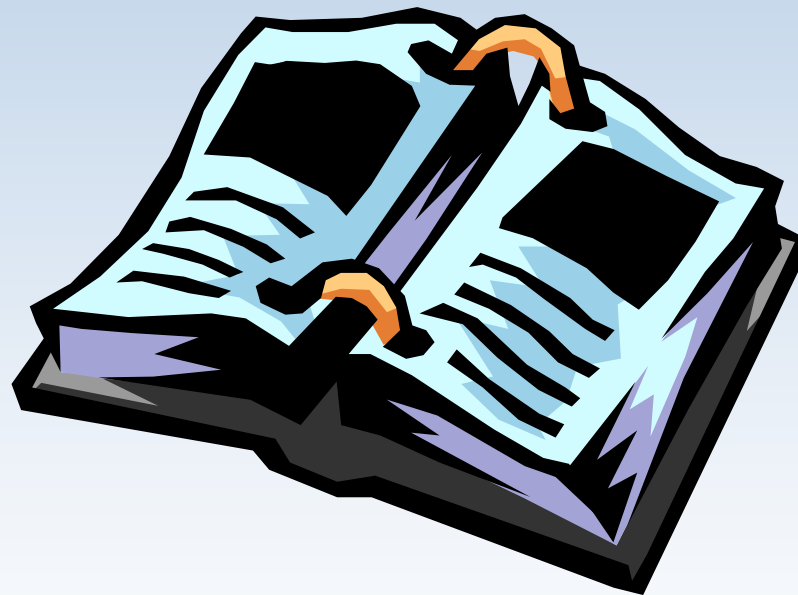
**Medicare Contractor Executive
Meeting**

May 4, 2004

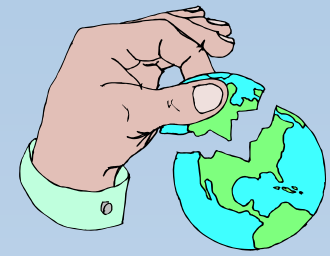
Today's Agenda:

Current, Future and Bridging the Gap

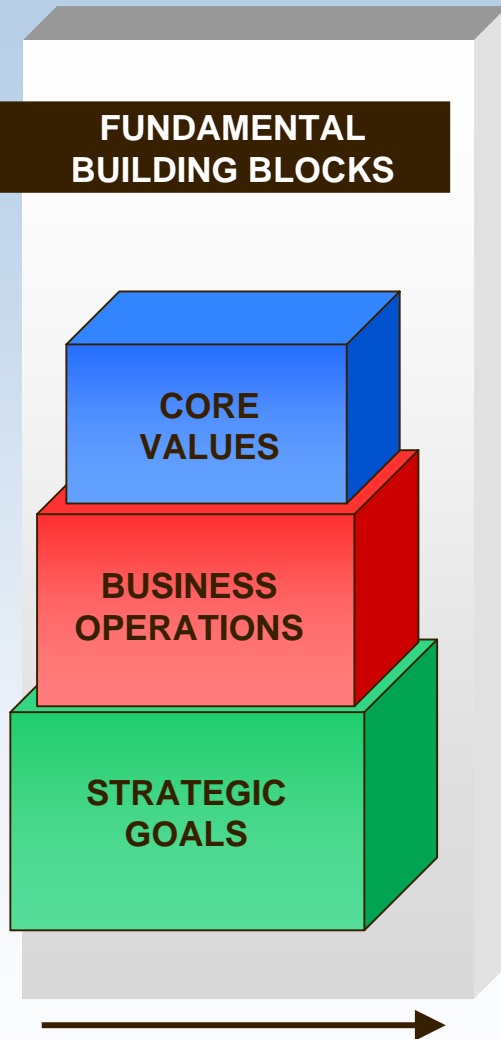
- Fundamental Building Blocks
- Current State of Affairs
- Drivers for Change
- End State Vision (5-10 Years)
- Conceptual Implementation Plan (Bridging the Gap)
- Modernization Areas of Focus



Building the Big Picture



FUNDAMENTAL BUILDING BLOCKS



CMS CORE VALUES

- Public Service
- Integrity
- Accountability
- Excellence
- Respect

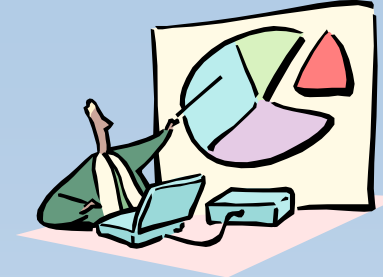
CMS PRIMARY BUSINESS OPERATIONS

- Making healthcare benefit payments
- Providing data & analytical support for policy development, program management, and information dissemination
- Supporting Administrative Requirements

STRATEGIC GOALS- DESIRED BUSINESS OUTCOMES

- Service to beneficiaries
- Service to providers, contractors and states
- Responsiveness in implementing policy changes
- Business effectiveness & cost savings
- Program management and oversight

Current State of Affairs



- **Functioning within the status quo: Program changes are independent as are the infrastructure changes needed to support them.**
- **New programs add stovepipe functionality to the current environment that drives up the total IT cost of ownership.**
- **Aged, incompatible, and inadequate IT systems and infrastructure to meet future workload.**
- **No single, consolidated processing approach, lack of workload balancing, and poor continuity of operations, with potential to impact customer service.**
- **No integrated CMS enterprise view of information technology**
- **Current technology and process barriers hinder CMS ability to advance its programs and achieve its strategic goals.**

Business Drivers for Change

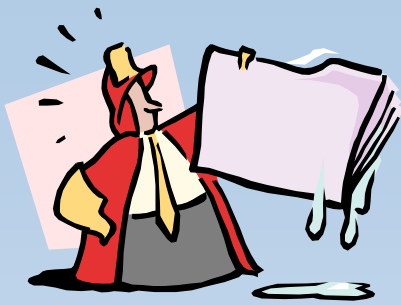
- Projected increase in Medicare claims volume and capacity requirements necessitate systems modernization.
- Current platform inadequate to implement program expansions.
- Increasing need for IT solutions.
- Industry innovation (consolidation, open systems, standards etc.).
- “Material weakness” in security as cited in the CFO audit.
- GAO findings concerning CMS difficulty in implementing timely program changes (time to market).



Legislative & Executive Drivers for Change

- Executive Mandates (A-76, Presidents Management Agenda,
- Legislative Mandates (GPRA, FISMA)
- Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA)
- E-Gov Act of 2002





CMS Programs “High-Risk” per GAO

“We have made several recommendations... that the agency has not acted on...”

“...Medicare remains on our list of high-risk programs.”

“CMS lacked the data...”

“...it is imperative to concentrate on making the existing program run as efficiently as possible.”

“...major gaps in information...”

“...insufficient information...”

“The challenge of managing the agency’s information technology initiatives”

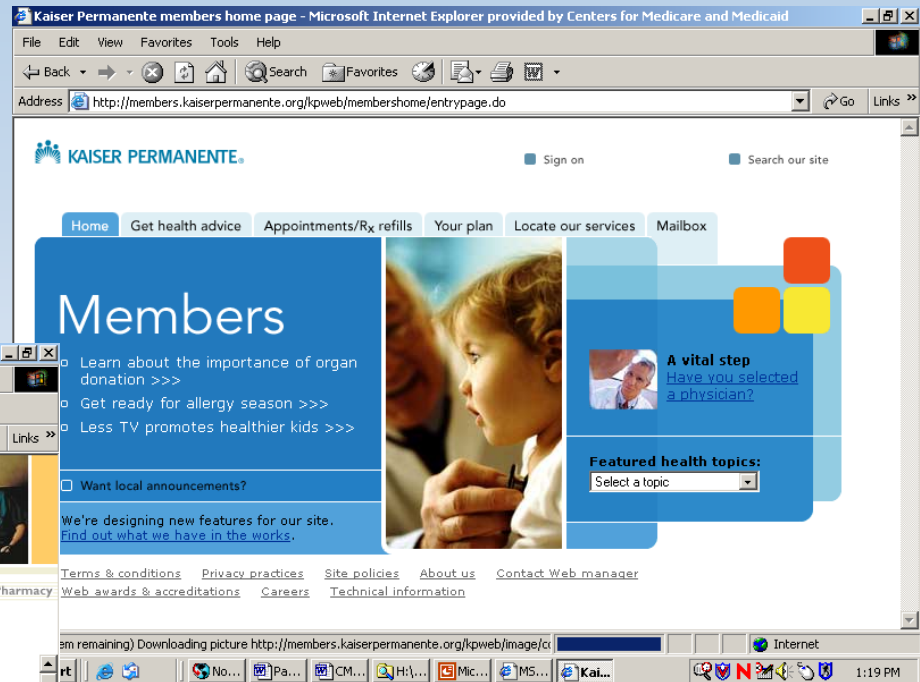
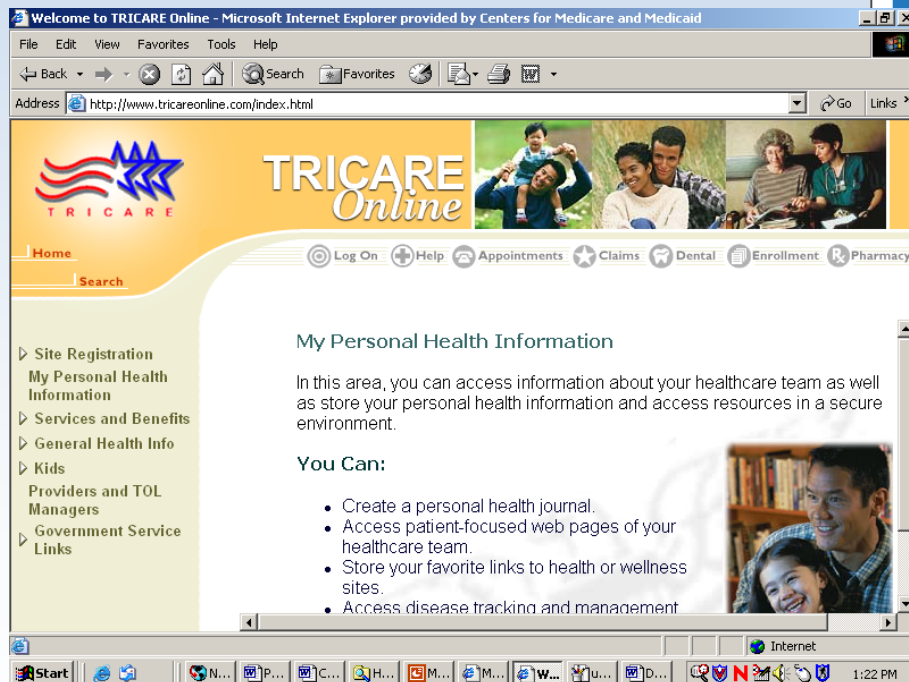
“...insufficient... oversight to ensure that payments... are accurate and appropriate...”

-GAO “Major Management Challenges and Program Risks”. January 2003.

End State Vision

What would users see?

Industry Samples of Member Web-pages where you can easily access information.

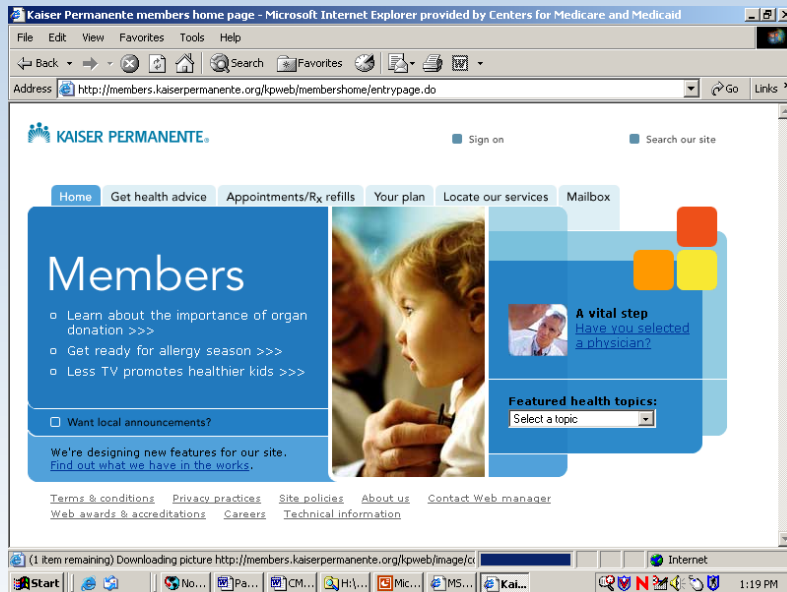


andMy Medicare?

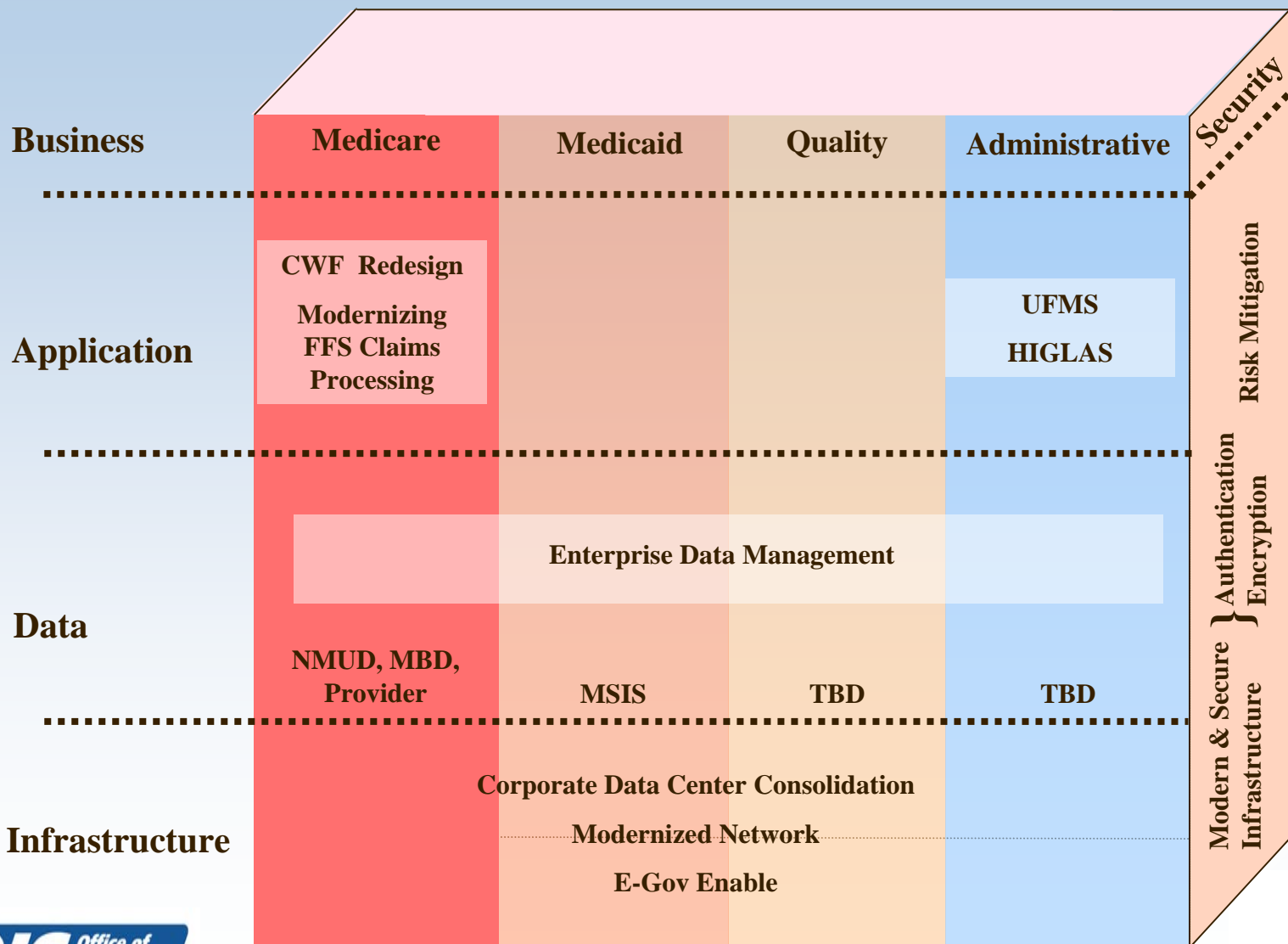
End State Vision- Behind the Scenes

Achieving this vision requires:

- **Structure:**
 - **Horizontal Services Business Model**
- **Tools/Standards:**
 - **Application Architecture**
 - **Data-Centric Architecture**
 - **Infrastructure Architecture and Services**
- **Process Modernization**

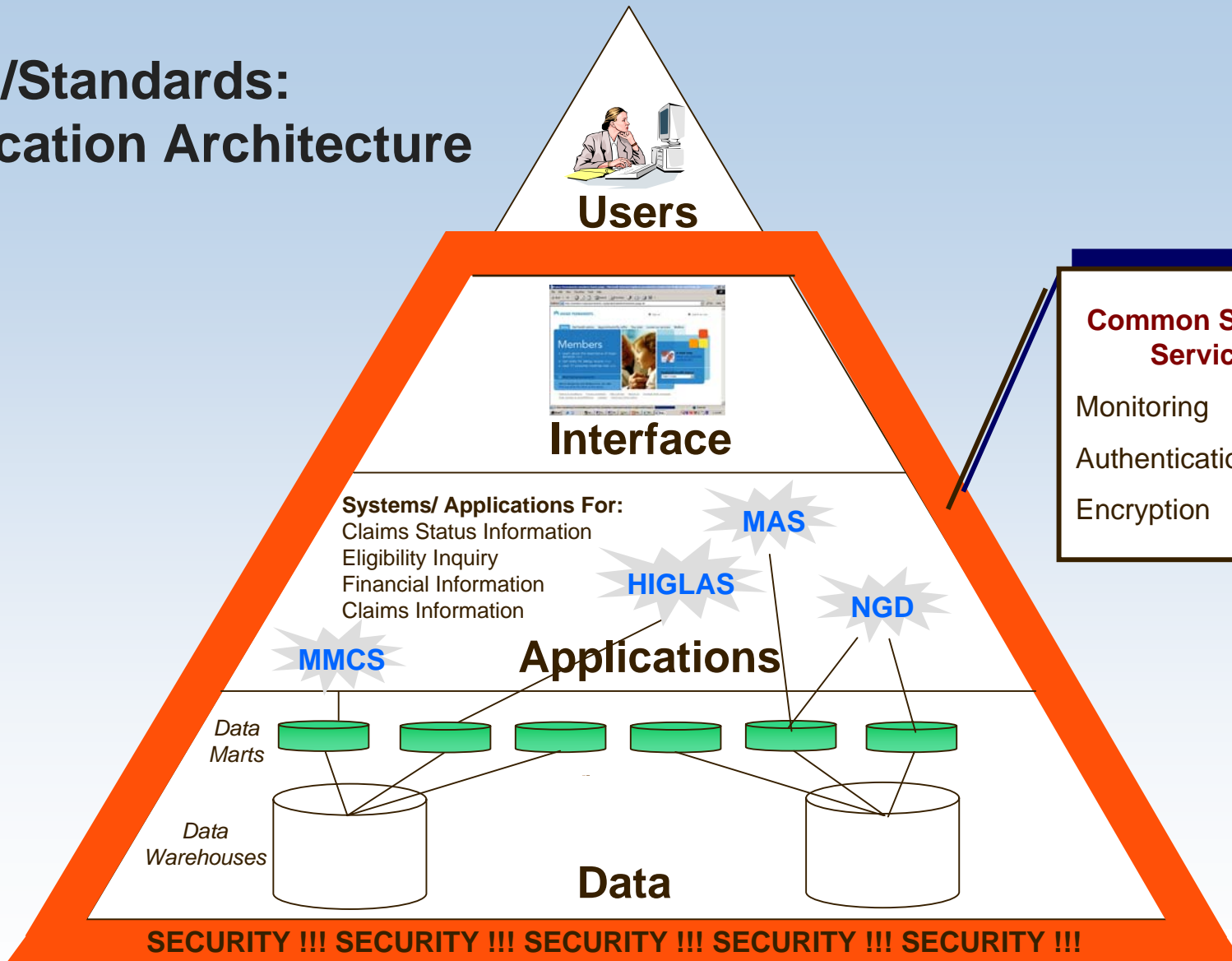


End State Vision- How it all fits together



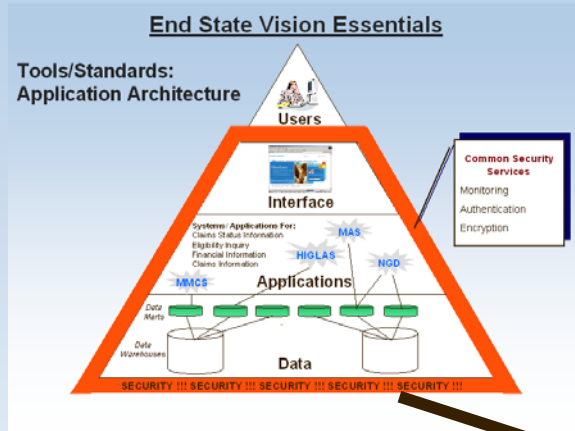
End State Vision Essentials

**Tools/Standards:
Application Architecture**



End State Vision Essentials

Tools/Standards: Data Centric Architecture



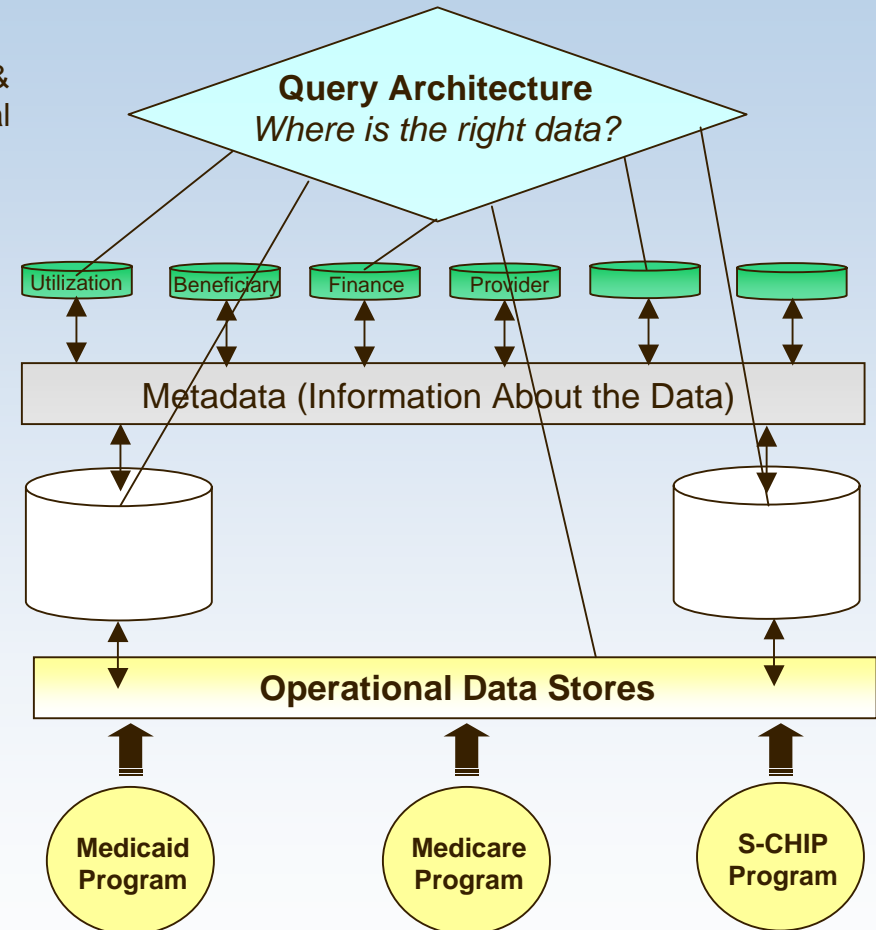
Data Detail

The “Data Centric Architecture”

Data Access &
Analysis Portal

Programmatic
Data Marts

Data
Warehouses



Conceptual Implementation Plan- Data Modernization

What does this involve?

- **Manage Data Through The Life-Cycle**
- **Make Data Accessible**
- **Improve Data Capabilities**

Conceptual Implementation Plan- Infrastructure Modernization

What does this involve?

- Enterprise Data Centers
- Enable Internet Services
 - Protect Data with Layered Security (3-tier)
 - Implement Security Monitoring Services
- Infrastructure Services
 - Continuity of Operations
 - Standards

Closing

Q & A

